

BILL ANALYSIS

H.B. 4764
By: Wray
Urban Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current law caps the amount of property tax the Midlothian Municipal Management District No. 3 may impose at 40 cents per \$100 valuation. There are concerns that this cap could prevent the district from meeting its financial obligations due to decreases in market valuations. H.B. 4764 seeks to ensure that the district is able to continue to borrow at competitive interest rates by allowing the district to exceed that cap in order to cover certain district obligations.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 4764 amends the Special District Local Laws Code to authorize the property tax rate of Midlothian Municipal Management District No. 3 to exceed the cap of 40 cents per \$100 valuation to the extent necessary to permit the district to comply with the statutory requirements applicable to district obligations that are issued and payable wholly or partly from property taxes. The bill establishes that the authorization does not authorize the district to issue bonds or other obligations if, based on the assessed value of property in the district as shown in the most recent certificate of assessed valuation or certificate of estimated assessed valuation issued by the Ellis Appraisal District available at the time of issuance, the issuance of the bonds or other obligations would require the district to adopt a tax rate that exceeds the 40 cent cap.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2019.